



Midtown Neighborhood Association

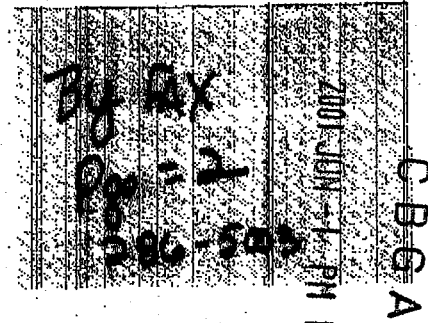
2501 West Galena Street • Milwaukee, WI 53205 • Tel: 414-342-6656 • FAX: 414-342-7913 • e-mail: mtna@exacpc.com

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File 1
CC: J.H.
H.W.
M.B.
G.M.
N.R.

May 31, 2001

Ms. Juanita Hawkins, Director
Community Development Block Grant Agency
Department of Administration
200 East Wells Street, 6th Floor
Milwaukee, WI 53202



Dear Juanita:

Midtown Neighborhood Association respectfully requests the transfer of a previously awarded Large Impact Development (LID) grant. The award was originally made to support the City Depot Project at 2506-2534 W. Lisbon Avenue. Due to circumstances outlined below, we are hopeful that you will favorably consider the transfer of LID funds to another, more substantial economic development effort in the Midtown area.

With the City Depot project, considerable progress was made. However, timing and unforeseen medical conditions of our development partner made our involvement in this project problematic. Midtown had completed a majority of development tasks for the City Depot project. We had:

- organized the Limited Liability Company;
- secured the needed property, including (though not limited to) a difficult process of working with the City on condemnation of one of the parcels, its acquisition, demolition and clearance;
- performed (at the City's behest and at our expense) both Phase I and a partial Phase II environmental assessment;
- published the Finding of No Significant Impact (FONSI);
- assembled the design and development team and the financing package;
- created a proposal to finance a \$1.3 million project; and
- initiated discussions with several lenders on the financing of the deal.

Twice during the past year, the owner, Mr. Mike Ahmad was hospitalized for heart surgery (first for a quadruple bypass and second to correct what did not work the first time). As we neared contracts, Mr. Ahmad felt that he could not comfortably move forward on the expansion as proposed and expressed his wish that the work on his project end until he could move forward with confidence in his health. We are still trying to recover pre-development expenses we incurred related to this effort and the CBGA's LID Checklist to which we tried to adhere.

While working on City Depot we were approached by the president of Roberts Roofing and Siding (currently located in Glendale) about their interest in relocating to Midtown. Our proximity to the Interstate and the available labor force made Midtown an ideal location for the company.



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CBGA
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Working with the City, we began a process of evaluating workable sites. To date we have:

- identified the preferred site (1500 W. Galena, formerly Scot Industries);
- initiated negotiations with the property owner to donate a portion of the site to MTNA ;
- had a Phase 1 environmental assessment performed;
- developed a pro-forma that estimates a \$1.7 million project;
- organized and registered a Limited Liability Company to develop the site;
- applied to the Local Initiatives Support Corporation (LISC) for predevelopment support (In the form of a recoverable grant) for legal, insurance, surveying and other tasks;
- initiated inquiries into environmental insurance policies in order to receive a property donation and indemnify the donor;
- engaged a realtor to work with us on acquisition of adjacent parcels; and
- begun discussions with the County on resources available for this project.

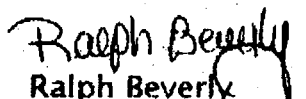
As it became apparent that the City Depot Project would not get underway in the time allotted by the CBGA's guidelines, we began discussions with our Alderman Willie Hines about the "transferability" of the LID funds to the Roberts Roofing initiative. Meanwhile, the North Avenue CDC was successful in a similar transfer of LID funds from one project on North Avenue to another.

If you can approve such a request for this project, Roberts Roofing and Siding will begin a 2-phased project that will:

- build a 30,000 S/f office and warehouse facility on an underutilized and vacant urban block;
- bring its current staff of 60-90 FTEs and a potential increase to 150 to a neighborhood which consistently tops the city in unemployment rankings,;
- increase the assessed valuation and tax revenue for this area;
- allow the company's owner to initiate an apprenticeship training program for new employees that will further increase the number of employed residents in family supporting jobs.

The LID funds would be used in the same way for the Roberts Roofing project as we proposed for City Depot but the investment would have a much larger impact on the Midtown neighborhood. I appreciate your careful and favorable consideration of this request.

Sincerely,


Ralph Beverly
Executive Director